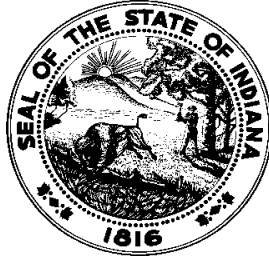


LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS

TO

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

FROM

DECEMBER 9, 2004

Call To Order

James Riehle called the December 9th, 2004 Local Government Tax Control Board meeting to order at 9:00am.

Attendance

The following Board Members attended the meeting: James Riehle, Bob Harris, Stan Mettler and Lisa Acobert. Richard Eckerle was absent.

Discussion

Stan motioned to recommend approval of the Minutes from the October 14th, October 28th, November 10th, and the November 23rd meetings. Bob seconded and the motion carried 4-0.

City of Lebanon, Boone County Public Works Project Loan

The unit is requesting approval to obtain a loan in the amount of \$1,500,000 for a term of six (6) years. Proceeds of the loan will be used to renovate 10,950 square feet of the Lebanon Municipal Building for use as a Police Station. The project also includes the addition of a 1,350 square foot garage. The City is committing revenue from the COIT distribution to make the lease payments, this request is for property tax backup approval. The anticipated tax rate should COIT revenue be insufficient is .0606 based on an assessed value of \$516,586,835 and an annual levy of \$313,088. The Common Construction Wage hearing is scheduled for November 13th, 2004. This is an uncontrolled project.

Taxpayer Objections:

A resolution authorizing the funding by the City for the renovation and construction projects was adopted November 3rd, 2004. The Notice of Determination was published November 5th, 2004. The Remonstrance period ended November 20th, 2004.

Attendance

The following people attended the meeting: Jim Acton (Mayor), Cory Whitesell (Project Manager HWC), Lawrence Giddings (City Attorney), Bruce Donaldson (Bond Counsel with Barnes & Thornburg) and John Seever (H.J. Umbaugh).

Discussion

They want to turn the present City Hall into a public safety building. The Police Station is already in the current building and they want to renovate the rest of the building to be a Fire Station. They have received a loan from a local bank for a term of six years and they have passed a resolution. They would have been ok and not needed to borrow money if it had not been for Senate Bill 1 and reassessment.

Questions by the Board:

James: Has your council approved your plans?

Answer: Yes, unanimously.

James: Any taxpayers' object?

Answer: No.

Bob: Did you advertise a debt fund with your 2005 budget?

Answer: No.

Bob: Is this a property tax backup approval, then?

Answer: We are going to use COIT money.

Bob: What is the amount of the City's Certified Shares?

Answer: We were getting about \$2.6million, but next year it is going to be cut back by about \$450,000 – we are expecting a total of \$2.1million for next year.

Bob: Do you feel confident that your COIT revenue will cover the loan payments?

Answer: Yes.

Stan: Do you have a guaranteed energy savings contract?

Answer: Not at this time.

Stan: What is the size of your police force?

Answer: We have 29 officers.

Recommendation

Stan motioned to recommend approval of a Public Works Project Loan in the amount of \$1,500,000. Bob seconded and the motion carried 4-0.

City of Columbus, Bartholomew County Public Works Project Loan

The unit is requesting approval to obtain a loan in the amount of \$1,032,178 for a term not to exceed one (1) year. Proceeds of the loan will be used to fund various park and recreation projects to update and maintain current facilities. The anticipated tax rate is estimated to be .0555 based on an assessed value of \$1,876,687,150 and an annual levy of \$1,032,178. The Common Construction Wage hearing information is not available. This is an uncontrolled project.

Taxpayer Objections:

The notice of a public hearing was published November 5th and a meeting was held November 16th, 2004. A resolution authorizing the funding by the City for the renovation and construction

projects was adopted November 16th, 2004. The Notice of Determination has not yet been published. The Remonstrance period will end fifteen days after publication of the Notice of Determination.

Attendance

The following people attended the meeting: Brenda Sullivan (Clerk Treasurer), Oakel Hardy (Budget Manager), Chuck Wilt (Director of Parks & Recreation), Ed Curtin (Assistant to Director) and Michael Keogh (Director of Business Services with Parks & Recreation).

Discussion

We have had difficulty for a number of years in funding the Park Department. Our parks are heavily used. We recently hosted the Little League World Series with thousands of people attending the event. We need to set up a more stable method of funding the Park Department.

Questions by the Board:

James: Hosting the World Series is quite something.

Answer: We had 3,000 visitors per week. We will be hosting the World Series next year also. Part of our economic strategy is to be able to attract visitors to our trails and other parks as well.

Bob: Have you had any taxpayer objections?

Answer: Not a one. There are thousands of people supporting the project with private donations.

Bob: Do you have any other current debt?

Answer: Only one –a park bond.

Bob: What is the remaining term and outstanding amount?

Answer: I am not sure – I think it was originally \$4,000,000 with a twenty year term.

Bob: Did you advertise a debt fund with your 2005 budget?

Answer: Yes.

Stan: This is a revolving loan? What will happen to the debt after one year?

Answer: Yes, we are setting this up as a revolving loan. We are going to use it every year for different park projects and to create a more stable funding stream. We have identified about 120 projects related to the maintenance of the parks that need to be done. The purpose of these projects is to upgrade and maintain present facilities.

Recommendation

Stan motioned to recommend approval of a Public Works Project Loan in the amount of \$1,032,178 subject to receipt of the Common Construction Wage approval. Bob seconded and the motion carried 4-0.

**Boston Township, Wayne County
Fire Equipment Loan**

The unit is requesting approval to obtain a fire equipment loan in the amount of \$100,000 for a term not to exceed six (6) years. Proceeds of the loan will be used to purchase a Pumper apparatus fire truck to replace a 1967 model that is no longer safe to use. The anticipated tax rate is estimated to be .0528 based on an assessed value of \$40,000,000 and an annual levy of \$21,103. This is an uncontrolled project.

Taxpayer Objections:

The Date of Publication for a public hearing was August 31st, 2004. A Public Hearing was held and a Resolution adopted on September 11th, 2004. The Notice of Determination was published September 20th, 2004. The Auditor Certified No Remonstrance on October 25th, 2004.

Attendance

The following people attended the meeting: Patrick Stack (Trustee/Assessor) and Jonathan Duke (Fire Chief).

Discussion

We are a small community in need of a new fire truck to replace a thirty-two year old fire apparatus.

Questions by the Board:

James: How big is your department?

Answer: We have about twenty firemen and cover about twenty-five square miles. A part of our responsibility includes the only airport in Wayne County. We have a population of about 1,000. We have a co-op and several farms and this piece of equipment will be a great asset to the community.

James: Are your firemen all volunteers?

Answer: Yes.

Bob: Did you advertise a debt fund with your 2005 budget?

Answer: Yes, we worked with Wayne Hudson, our DLGF field representative to make sure that everything is ok.

Stan: What will happen to the old truck?

Answer: We are going to sell it according to State Guidelines. It has failed the most recent State Inspection Test – it is a worthless piece of equipment. We will sell it to the highest bidder.

Lisa: Do you have a place to house the truck?

Answer: Yes, we have a beautiful fire station. This is my second term as trustee and in the time I have been here, we have had to replace all of our equipment.

Stan: Did you bid the truck?

Answer: Yes, under the emergency guidelines because the truck failed inspection.

Stan: Are all the local funds on hand?

Answer: Yes, we are using our Cumulative Fire fund.

Stan: Is your 911 System tied to the County?

Answer: Yes.

Recommendation

Bob motioned to recommend approval of a Public Works Project Loan in the amount of \$100,000. Lisa seconded and the motion carried 4-0.

Town of Speedway, Marion County General Obligation Bonds

The unit is requesting approval to issue general obligation bonds in the amount of \$575,000 for a term not to exceed three (3) years. Proceeds of the loan will be used to purchase thirteen police vehicles and seven SUV's, four for the Police Department and three for the Fire Department. In addition, they will be purchasing related police and fire equipment. The anticipated tax rate is estimated to be .0309 based on an assessed value of \$812,394,010 and an annual levy of \$250,800. The Common Construction Wage is not applicable. This is an uncontrolled project.

Taxpayer Objections:

A resolution authorizing the funding by the City for the project was adopted November 8th, 2004. The Notice of Determination was published November 12th, 2004. The Remonstrance period will end November 27th, 2004.

Attendance

The following people attended the meeting: Alan F. Jones (Police Captain), John F. Otte (Fire Chief), Kim Blanchet (Barris & Shocky), Jennifer Wilson (Finance Advisor with Crowe Chizek), Dean Farmer (Council President), Edward Frazier (Town Council) and Sharon L. Zishka (Clerk – Treasurer).

Discussion

They are here to talk about a bond issue for the purpose of purchasing police cars, fire trucks and equipment to furnish the new police and fire trucks.

Police Chief: We want to purchase thirteen new Crown Victoria's, per the State QPA, plus four SUV's that will be used by detectives and the Vice Squad for special investigations and to navigate in bad weather. The existing police cars will be sold at a public auction.

Fire Chief: We are requesting three SUV's to be used during bad weather and for on-site aid.

Questions by the Board:

James: Does the Council support your plans?

Answer: Yes, unanimously.

James: Do you have a regular schedule for the replacement of vehicles?

Answer: Yes for fire and police vehicles – they are recycled every three years. The SUV's are used for specialized investigations and in areas where a Crown Vic cannot get to.

Lisa: Are you buying the SUV's off of a State QPA also?

Answer: Yes, from a Ford dealership in Bloomington – they do not bid out their vehicles.

Lisa: Are any of the SUV's take-home vehicles?

Answer: Only two of them that are assigned to Narcotics' officers because they are on call-out.

Bob: Did you advertise a debt fund with the 2005 budget?

Answer: The Chief of Police did present the issue.

Bob: You feel confident that it was published?

Answer: This is a 2006 debt issue – they are planning on selling the bonds in January 2005.

They are here today because there is no meeting in January. They will not need a debt fund for this issue until 2006.

Lisa: What are the other sources of Local Funds?

Answer: COIT revenue.

Recommendation

Bob motioned to recommend approval of General Obligation Bonds in the amount of \$575,000 for a term not to exceed three (3) years. Stan seconded and the motion carried 4-0.

Pendleton-Fall Creek Township, Madison County Public Works Project Loan

The unit is requesting approval to obtain a loan in the amount of \$200,000 for a term not to exceed six (6) years. Proceeds of the loan will be used to fund various park and recreation projects to update and maintain current facilities. The anticipated tax rate is estimated to be .0097 based on an assessed value of \$413,035,262 and an annual levy of \$39,870. The Common Construction Wage is not applicable. This is an uncontrolled project.

Taxpayer Objections:

Resolutions authorizing the funding of the projects were adopted on November 9th by the Park Board and on November 17th by the City. 2004. The Notice of Determination was published November 17th. 2004. The Remonstrance period will end December 2nd, 2004.

Attendance

The following people attended the meeting: Jim Treat (Financial Advisor with O.W. Krohn & Assoc.), Ty Conner (Bond Counsel with Bose McKinney) and Ron Barnhart (Park Superintendent).

Discussion

They want to finance their project under the public works authority for an amount not to exceed \$200,000. The note and the project has been presented to the Council and both have been approved. There were no taxpayers at any of the Park or Board meetings. No one made any comments at the public hearings or had any objections. They have advertised in several newspapers.

Questions by the Board:

James: Any public comments?

Answer: No sir, none at all. The taxpayers are very supportive and in favor of moving on with the projects. There has been considerable talk about the Pool project. The attendance has been down over the last couple of years, but the feeling is that we still need to keep the pool open.

Bob: Will the first year requiring a debt rate be 2006?

Answer: Yes – we do not expect to close on the loan until February 2005.

Stan: The football lighting project – is that field used for soccer also? Do you have soccer in the spring and football in the fall?

Answer: Yes; we need to be able to use all the fields year round and to be able to use all the fields for both sports.

Stan: Has there been any talk to use the fields in connection with local schools to allow them to use the fields?

Answer: Yes, there has been some talk and discussion for one of the schools to host a soccer tournament.

Recommendation

Stan motioned to recommend approval of a Public Works Project Loan in the amount of \$200,000 for a term not to exceed six (6) years. Bob seconded and the motion carried 4-0.

City of Charlestown, Clark County
Excessive Levy Appeal(s): Annexation and Three-Year Growth

Annexation

The unit is requesting approval of an appeal in the amount of \$443,540.

Three-Year Growth

The unit is requesting approval of an appeal in the amount of \$172,863. Cannot determine yet what the unit qualifies for because they have not been certified for 2004.

2005 Max Levy	\$Unknown
Total Levy with Appeal	\$
Advertised Appeal	\$ 400,000
Advertised Levy	\$2,972,597

Attendance

The following people attended the meeting: Donna Coomer (Clerk Treasurer), Michael D. Hall (Mayor), Courtney Schaafsma (Financial Advisor with Crowe Chizek) and Jennifer Wilson (Financial Advisor with Crowe Chizek).

Discussion

We have two appeals, one for Annexation and the other for three-year growth. In January of this year, their first annexation became effective, the second annexation was effective in September of this year. With these two annexations, they have doubled the size and square miles of their City. There is a major development under construction in the area with several thousand acres involved. They are growing outward toward Jeffersonville. There are experiencing tremendous growth.

Questions by the Board:

James: Is the growth mostly residential?

Answer: Yes, with the exception of one industrial park expansion. The newly annexed areas sits across from a previous munitions plant, last used during the Korean War. The plant is currently in the process of being taken back from the Army. The plant is being refurbished to be sold in parcels. All this is still in the planning stages and we want to make sure we do it right.

Lisa: Due to the size of the annexations, I assume that these were all non-voluntary?

Answer: Actually no, they are all voluntary. The people came to us – principally to avoid being annexed by Jeffersonville. There is a lot of upgrading needing to be done in the area.

James: Do you have your own Water Utility?

Answer: Yes and we are in negotiations to provide service to the newly annexed areas. There are several decisions to be made yet.

Stan: How many acres are involved?

Answer: The first annexation was for ninety acres, the second was for 2500 acres. They came before this Board last year for the first annexation. The request this year is for the second annexation. There has actually been three annexations in the last two years.

Stan: The annexation that occurred in September, how large is it?

Answer: Around 4500 acres.

Bob: For the three-year growth appeal – have you had the opportunity to calculate using 2004 certified amounts?

Answer: No, not yet.

Bob: You advertised and appeal for \$400,000, so that is what we will be limited to between both appeals. Both are permanent appeals, so there is no advantage for one over the other. I would recommend that we deny the three-year growth, simply because it has been very hard to qualify for that appeal this year, and the probability of you qualifying is slim.

Stan: When do you expect the build-out to be completed?

Answer: We have some way to go – they have stringent zoning laws in place now, it must be market-driven.

Stan: About how many homes were involved in the first annexation?

Answer: Several hundred acres that is still in development. We have room to grow. There are still active farms working in the area.

Recommendation

Bob motioned to recommend approval of an annexation excessive levy appeal in the amount of \$400,000. Lisa seconded and the motion carried 4-0.

Bob motioned to recommend denial of a three-year growth appeal due to the unit not advertising high enough to qualify for both appeals. Lisa seconded and the motion carried 4-0.

Warren County Unit, Warren County Excessive Levy Appeal(s): Correction of Error

Attendance

The following people attended the meeting: Roy E. Wesley (Treasurer), Dick Dobbels (County Commissioner), Frank Clark (County Council Member), Roy Stroud (County Council Member) and Thomas A. Hetrick (County Commissioner).

Discussion

(Refer to handout). They believe the Senate Bill 1 had an unintended negative impact on Warren County. They have been considerably below their maximum levy for several years before Senate Bill 1 became effective. Without relief, essential services cannot be provided. They have

been hit the hardest with large health insurance premiums due to several employees with serious health problems.

The County outlined several solutions with the first preference being to restore Warren County's maximum levy to what it was for 2003 to achieve equity with Counties that were raising the maximum. The second preference is to increase the 2005 maximum levy by \$338,480 as requested in the formal appeal. The third preference is to exercise the statutory provision for a temporary rate adjustment in the amount of \$355,000 to cover the health insurance claims. The second and third preference would be just temporary help and would still require that capital expenditures be cut almost entirely. In addition, the County has assembled a committee to explore alternatives that would reduce insurance costs.

They provided supporting documentation detailing that the County has been below their maximum levy since 2000 through 2004 by between twenty-eight and thirty-four percent. Their cash balance decreased \$387,664 from 2002 to 2003 and are projecting an additional decrease of \$630,159 for the 2004 budget year. They have budgeted \$330,000 for insurance claims for the last two years and actual claims have been \$687,320 and projected of \$625,000 for 2004. Warren County cannot continue to absorb the high cost of insurance claims. They need relief and the permanent restoration of their maximum levy.

Questions by the Board:

James: What has been the reaction of the public – any comments?

Answer: There has been no one in attendance at any of the meetings.

James: Do the Council and the Commissioners both supported the appeal?

Answer: Yes.

Bob: Why did you decide to present this appeal as a Correction of Error?

Answer: In discussions with their DLGF field rep, Linda Lessaris, the Correction of Error appeal was the one that was chosen – it was difficult to assign their need to a category. When the budget was advertised, it was not labeled as an excessive levy appeal.

James: Is the County self-served with health claims?

Answer: Yes.

Bob: In looking at page two of your presentation, what services will need to be cut?

Answer: Every budget in the County has been cut in all categories except for salaries. Everything else has been wiped out almost entirely. The 2005 budgets were stripped so much that Departments won't be able to provide the same level of service next year that they have been able to provide this year.

Bob: Have you relayed your first preference to anyone at the DLGF before your presentation here today?

Answer: No, outside of the letter from our State Representative.

Stan: Is the cash balance in your handout for all funds, or for the General Fund only?
Answer: The cash balance is the General Fund only.

Recommendation

Stan motioned to recommend approval of a levy adjustment due to Senate Bill 1 in the amount of \$338,480. Lisa seconded and the motion carried 4-0.
